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 HERBERT A. VIERGUTZ

HAND DELIVERED

January 10, 2006

JAN 10 2006

AT 10:49 A.M.
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Steven J. Shamburek, Esq.
 Law Office of Steven J. Shamburek
 425 G Street, Suite 630
 Anchorage, AK 99501-5872

Re: North Star v. Nugget Construction, et.al.

Gentlemen:

In an effort to put an end to the outrageous allegations against my client vis a vis bad faith, as articulated, my client has agreed to produce documents previously withheld under claim of privilege. You no doubt appreciate that a motion for summary judgment will be filed regarding the allegations against my client on or before the due date pursuant to Court Order. Hopefully, that will be unnecessary, but I suspect the paranoia which exists may continue to cloud your judgment regarding allegations of bad faith against my client. I therefore urge you to seek expert opinion on a surety's obligation, prior to your continuing down the road which you have chosen, which will necessarily result in a Court Order favorable to my client.

Thank you for taking the time to consider this matter.

Sincerely,

Herbert A. Viergutz

HAV/sbj

cc: Traeger Machetanz, Esq - hand delivered w/enclosures
 Paul Stockler, Esq. - hand delivered w/enclosures
 Janice Smith w/enclosures